



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/933,266	08/20/2001	Daniel J. Eckert	1713-0013	5251

7590 11/22/2004

Harold C. Moore
Maginot, Addison & Moore
Bank One Center/Tower
111 Monument Circle, Suite 3000
Indianapolis, IN 46204-5115

EXAMINER

SNAPP, SANDRA S

ART UNIT PAPER NUMBER

3624

DATE MAILED: 11/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/933,266	Applicant(s) ECKERT ET AL. S	
	Examiner Sandra Snapp	Art Unit 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 October 2003.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-22 is/are rejected.
7) ☒ Claim(s) 1 & 17 is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☒ The drawing(s) filed on 20 October 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>10-20-03</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Priority

Acknowledgment is made of applicant's claim for priority to Application Nos. 60/226419, filed on 8-18-22 and 60/298546, filed on 6-14-01.

Oath/Declaration

The present Oath/Declaration is not signed by the inventor Todd O. Perry. An Oath/Declaration signed by Todd O. Perry must be submitted.

Claim Objections

Claims 1 and 17 are objected to because of the following informalities:

Claim 1 is objected to because the term “create” should be “creating” to be consistent with the remaining claim language, and

Claim 17 is objected to because it is unclear what an “input” is. Appropriate correction is required.

The Examiner takes note that there is no claim 14 in the claims. The originally filed claims are numbered 1-13 and 15-22.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-22 are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. The Patent Office had taken the position that some form of technology must be claimed in the body of the claim. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are “nothing more than [an] abstract idea which is not tied to any technological art and is not a useful art as contemplated by the Constitution.” *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning. Also, the Examiner acknowledges that claims 17-19 are directed to an apparatus, however it is not clearly defined as a computer apparatus, and the “input” and “processing device” are not clearly defined as being computer oriented. As such, they can be interpreted as being non-technical in nature and do not satisfy the requirements under 35 U.S.C. 101.

Claims 20-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 20-22 are directed to non-statutory subject matter because they do not fall within one of the statutory categories that is entitled to patentability, i.e. the “agreement” as claimed is not a process, machined, manufacture, composition of matter or new and useful improvement thereon.

Art Unit: 3624

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 3, 6-11 and 16-22 are rejected under 35 U.S.C. 102(b) as being anticipated by the Mottola et al. patent (US 5,809,484).

The Mattolo reference discloses a method of creating a tradable security based on the prospective income of a performer, the method comprising:

Defining an asset value based on the prospective income of the performer, the tradable security value based on the asset value (col. 3, lines 40-57),

Obtaining an agreement from the performer to create a repayment obligation based on a portion of an income stream that corresponds to the asset value (Abstract),

Creating a first account (col. 15, lines 1-23), and

Receiving payment towards the repayment obligation into the first account (col. 15, lines 1-23) (Claim 1);

Defining the asset value based on the value based at least in part on a contingent portion of the prospective income (Abstract) (Claim 3);

Determining a likelihood of the performer attaining one or more performance incentives available to the performer (col. 4, line 15 through col. 5, line 22) (Claim 6); and

Receiving payments towards the repayment obligation into the first account, the payments corresponding to funds received by the performer corresponding to the portion of the income stream that corresponds to the asset value (col. 15, lines 1-23) (Claim 7).

Art Unit: 3624

The Mattolo reference discloses a method comprising:

Obtaining an agreement from a performer to create a repayment obligation based on a portion of a prospective income stream of the performer, the portion of the prospective income stream including service-based income (Abstract),

Selling a security having a value based on a value of the repayment obligation (col. 3, lines 40-57),

Creating a first account (col. 15, lines 1-23), and

Receiving payments towards the repayment obligation into the first account (col. 15, lines 1-23) (Claim 8);

Selling a tradable security having the value based on the value of the first account (col. 3, lines 4-57) (Claim 9);

Redeeming the security using funds from the first account (col. 14, lines 27-39) (Claim 10);

The portion of the repayment obligation is based at least in part on contingent prospective income from the performer (Abstract) (Claim 11);

The determining the likelihood of the performer attaining one or more performance incentives available to the performer (col. 4, line 15 through col. 5, line 22) (Claim 16).

The Mottola reference discloses an apparatus comprising:

An input for receiving a total number of security instruments having a value based on realized prospective income of a performer (col. 11, lines 31-50),

Art Unit: 3624

A processing device operable to:

Obtain a final value, the final obligation value based on the realized prospective income of the performer, the realized prospective income being service based (col. 11, lines 31-50),

Determine a redemption value of a security instrument based on the final obligation value and the realized prospective income (col. 15, lines 1-23), and

Provide information representative of the redemption value to an output (col. 11, lines 31-50) (Claim 17);

The realized prospective income includes realized contingent income (col. 15, lines 1-23) (Claim 18); and

The realized prospective income includes realized base income (col. 15, lines 1-23) (Claim 19).

The Mottola reference discloses an agreement comprising:

A promise by a performer to pay a repayment obligation, the repayment obligation based upon prospective service based income of the performer (Abstract), and

A promise by a second party to oversee funds deposited in an account on behalf of holders of security instruments, the funds corresponding to the repayment obligation (col. 3, lines 40-58) (Claim 20);

A promise by the performer to deposit the funds into the account (col. 15, lines 1-23) (claim 21); and

Art Unit: 3624

A promise by the performer to periodically deposit an amount of funds into the account, the amount of funds based on the repayment obligation and a performance level of the performer (col. 15, lines 1-23) (Claim 22).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2, 4-5, 12, 13 & 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over the Mottola patent and further in view of the Red Herring article (supplied by Applicant).

The Mottola patent discloses all the elements of the present invention, as stated above, except:

Defining the asset value based on a professional sports contract to which the performer is a party (Claims 2 and 12);

At least some of the contingent portion of the prospective income is based on the performer's performance in a professional sport (Claim 4); and

The performer is a participant in professional team sports, and

At least some of the contingent portion of the prospective income is team performance based (Claims 5, 13 and 15);

The Red Herring article teaches:

Art Unit: 3624

Defining the asset value based on a professional sports contract to which the performer is a party (Red Herring article) (Claims 2 and 12);

At least some of the contingent portion of the prospective income is based on the performer's performance in a professional sport (Red Herring article) (Claim 4); and

The performer is a participant in professional team sports (Red Herring article), and

At least some of the contingent portion of the prospective income is team performance based (Red Herring article) (Claims 5, 13 and 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the Mottola patent with the teachings of the Red Herring article so as to expand the use of the system to other areas of endeavor, such as professional sports.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The Kossovsky, Kincart, Llewelyn, Quackenbush, Birle, Wilkinson, Slyke, Mottola, Ashenmil, Elliott and Selleck patents are all directed to various types of electronic financial systems.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The examiner can normally be reached on Mon.-Thurs.

Art Unit: 3624

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

SS

Sandra S. Snapp
SANDRA S. SNAPP
PATENT EXAMINER
GROUP 3600